

S T A T E O F M I C H I G A N
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the September 14, 2010, meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Greg R. White, Commissioner

OPINION AND ORDER

On June 24, 2010, the Commission issued an order in this case awarding the Michigan Community Action Agency Association (MCAAA) a Low-Income and Energy Efficiency Fund (LIEEF) grant in the amount of \$1.9 million to conduct one or more pilot demonstration projects to be executed by November 2010 addressing energy affordability for Michigan's low-income residential customers. The project(s) will include a combination of energy efficiency services and development of innovative bill payment tariffs/rate options designed by the partnering rate-regulated utilities, The Detroit Edison Company (Detroit Edison) and Michigan Consolidated Gas Company (Mich Con). The order required that pilot tariffs developed as a result of this grant must be submitted to the Commission for review and approval prior to implementation.

On August 25, 2010, Detroit Edison and Mich Con filed an application requesting that the Commission approve Low-Income Energy Affordability Demonstration Project (LIEADP) tariffs,

attached as Exhibit A to this order. The tariffs will allow for a maximum of 3,000 Detroit Edison and Mich Con qualified and eligible low-income customers to participate in the LIEADP program. Customers will be required to document personal identification, household income, and household size to demonstrate eligibility for participation in the program. Eligible participating customers will be billed for their respective electric and gas utility service charges and rates based on their household income compared with federal poverty guidelines. Participating customers will be required to remit their monthly installment amounts directly to the utility each month and the utilities will not charge late payment fees to any participating customer as long as such customer continues to be an active participating customer and meets program requirements.

Detroit Edison and Mich Con are not requesting any change in the rates or cost of service to other customers.

The proposed LIEADP tariffs will terminate December 31, 2012 or the date the LIEADP grant funds are exhausted, whichever date is earlier.

The Commission Staff reviewed the application submitted by Detroit Edison and Mich Con and agrees that the proposed tariffs and the data to be gathered during the LIEADP will assist the utilities, MCAAA, and the Commission in better understanding low-income customer energy affordability.

The Commission finds that the proposed LIEADP tariffs are reasonable and in the public interest, and should be approved. Further, the Commission finds that approving the proposed tariffs does not result in any change in the rates or cost of service to other customers. Thus, approval of the LIEADP tariffs may be authorized by the Commission without notice or hearing as provided by MCL 460.6a.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company's and Michigan Consolidated Gas Company's Low-Income Energy Affordability Demonstration Project tariffs are approved for service rendered on or after September 15, 2010.

B. The Low-Income Energy Affordability Demonstration Project tariffs will terminate December 31, 2012 or the date the LIEADP grant funds are exhausted, whichever date is earlier.

C. Within 30 days, The Detroit Edison Company and Michigan Consolidated Gas Company shall file with the Commission tariff sheets consistent with Exhibit A to this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Greg R. White, Commissioner

By its action of September 14, 2010.

Mary Jo Kunkle, Executive Secretary

C14 LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT

(A) *Defined terms used in this Low-Income Energy Affordability Demonstration Project (LIEADP) are as follows:*

Account default means a LIEADP customer's failure to pay monthly LIEADP installment amounts causing the LIEADP customer's electric service to be subject to disconnection by a utility for nonpayment or actually disconnected for nonpayment.

Active LIEADP customer means a low income customer who is both currently enrolled in the LIEADP and currently using utility service.

Arrearage credit amount means the amount that would reduce the enrolled LIEADP customer's accrued arrearages to zero as determined based on the customer's accrued arrearages at the time the customer enrolls in the LIEADP program. Arrearage credits will be applied against customer arrearages only.

Current bill balance means for each monthly billing cycle for a LIEADP customer, the difference between such customer's monthly LIEADP installment amount and the actual amount billed for electric service for the billing cycle.

Customer payment means, for purposes of this LIEADP, a payment of a monthly LIEADP installment made from the customer's financial resources.

LIEADP annual reverification date means the calendar date at or before twelve months from the LIEADP customer's LIEADP verification date or most recent LIEADP annual reverification date.

LIEADP customer means a low income customer who participates in the Low Income Energy Affordability Demonstration Project.

LIEADP Grant Funds means the funds disbursed as part of the Low Income Energy Affordability Demonstration Project Grant.

LIEADP project term means the time period during which the Low Income Energy Affordability Demonstration Project tariff is effective.

(Continued on Sheet No. C-82.00)

Issued _____
D. G. Brudzynski
Vice President
Regulatory Affairs

Detroit, Michigan

Effective for service rendered on
and after _____, 2010

Issued under authority of the
Michigan Public Service Commission
Dated _____, 2010
In Case No. U-13129

(Continued from Sheet No. C-81.00)

C14 LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

LIEADP verification date means the actual date on which the LIEADP customer's documentation on his or her household income and household size is accepted as qualifying the customer to participate in the LIEADP program.

Eligible low income customer means a residential utility customer whose household income does not exceed two hundred percent (200%) of the federal poverty guidelines as published by the United States Department of Health and Human Services. A customer will be considered to meet the income eligibility requirement if either (a) the customer's household income for the three months prior to enrollment, if annualized, is two hundred percent or less than the federal poverty guideline for the corresponding household size, or (b) the customer's actual household income for the twelve months prior to enrollment is two hundred percent or less than the federal poverty guideline for the corresponding household size. Additionally, to be an eligible low income customer, the customer must be in arrears and those arrearages must not have accrued as a result of theft or unauthorized use.

Energy Optimization, Energy Efficiency and Weatherization Services means those services offered by utilities or local agencies to provide energy efficiency education, programs and rebates designed to help consumers better manage their energy usage.

Federal poverty guidelines means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

Household income means the total gross income before taxes of all household members except earned income of dependent minors under eighteen years old and any income expressly excluded under federal rules for the administration of the Low Income Home Energy Assistance Program (LIHEAP). Gross household income includes, but is not limited to, wages, interest, dividends, annuities, and pensions.

Local agency means a community action agency or other local service provider that assists with the administration of low-income customer assistance programs at the local level.

Low Income Energy Affordability Demonstration Project or LIEADP means the pilot demonstration project designed to address energy affordability within Michigan's low-income residential customer class funded by a Low Income Energy Efficiency Grant awarded by the Commission.

Monthly LIEADP installment amount means for each LIEADP customer, the amount of such customer's household income to be paid each month for electric service.

On-time payment means, for purposes of the LIEADP, a LIEADP installment received by the utility prior to the date that the next bill for electric service is issued.

(Continued on Sheet No. C-83.00)

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(Continued from Sheet No. C-82.00)

C14 LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

Unauthorized use of a utility service means theft, fraud, interference, or diversion of service, including but not limited to meter tampering (any act which affects the proper registration of service through a meter), by-passing (unmetered service that flows through a device connected between a service line and customer-owned facilities), and service restoration by anyone other than the utility or its representative.

- (B) *Participation in the Low-Income Energy Affordability Demonstration Project program will be limited to 3,000 eligible low income customers. Customers will be selected to participate based under the provisions of the Low Income Energy Affordability Demonstration Project approved by the Commission.*
- (C) *The LIEADP project term will commence the day after Michigan Public Service Commission approval of the LIEADP tariff and will terminate the earlier of December 31, 2012 or the date the LIEADP grant funds are exhausted. LIEADP customers will be notified if termination occurs prior to December 31, 2012.*
- (D) *Customers will be required to document personal identification, household income and household size to demonstrate eligibility for participation in the LIEADP. The date of verification will establish the LIEADP verification date. To continue participation in the LIEADP for the entire LIEADP project term, LIEADP customers will be required to document income on an annual basis by the LIEADP annual reverification date.*
- (E) *Customers eligible to participate under the Winter Protection Plan, Rule B2, Consumer Standards and Billing Practices for Electric and Gas Residential Service, Part 9, will be required to waive their rights to participate under the Winter Protection Plan in order to participate in the Low-Income Energy Affordability Demonstration Project program.*
- (F) *Customer payment for participating eligible low income customers will be based on household income compared with Federal poverty guidelines with a minimum payment requirement of \$15 per month.*

(1) *LIEADP payments will be based on the following:*

<u>Federal poverty guidelines</u>	<u>Percentage of Income Payment</u>
0% – 100%	<i>The greater of 2% of household income paid in 12 equal monthly payments or a minimum payment of \$15 per month</i>
101% - 150%	<i>The greater of 3% of household income paid in 12 equal monthly payments or a minimum payment of \$15 per month</i>
151% - 200%	<i>Current annual bill amount paid in 12 equal monthly payments</i>

(Continued on Sheet No. C-84.00)

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(Continued from Sheet No. C-83.00)

C14 LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

- (2) *LIEADP customers shall be required to remit their monthly LIEADP installment amounts directly to the utility each month. Utilities shall not charge late payment fees to any LIEADP customer as long as such customer continues to be an active LIEADP customer.*
- (G) *Customers participating in the LIEADP will not accrue an arrearage balance for the current bill balance for each month that the LIEADP customer pays the full monthly LIEADP installment amount.*
- (H) *For each month that the customer pays the full monthly LIEADP installment amount, the current bill balance will be offset by a payment from the LIEADP grant funds provided by a local agency.*
- (I) *To promote energy efficient usage, continued participation in the LIEADP for customers exceeding 115% of historical weather normalized consumption on an annualized basis is at the discretion of the local agency or utility. Historical weather normalized consumption is based on the twelve months of consumption prior to acceptance in the LIEADP.*
- (J) *Customers participating in the LIEADP will receive an arrearage credit equal to historical arrearages at the time of acceptance in the LIEADP program.*
- (K) *Any customer enrolling in the LIEADP program shall also apply to participate in any other energy assistance program for which such customer may be eligible. If a customer is determined to be eligible for energy assistance through other programs, then as a condition of continuing eligibility for the LIEADP program, such customer shall actively participate in any such energy assistance programs that do not require payment from the customer as a condition for participation. Any funds received from these programs will be applied against the customer's bill balance, but will not reduce the LIEADP monthly installment payment.*
- (L) *Any LIEADP customer who is the owner of a residence for which energy optimization, energy efficiency and weatherization services are offered through the LIEADP program shall be required to accept such services as a condition for continuing eligibility for the LIEADP program. If a LIEADP customer resides in a rental property and energy optimization, energy efficiency or weatherization services are offered through the LIEADP for such rental property, such LIEADP customer shall be required to accept such services as a condition for continuing eligibility for the LIEADP program unless the residence owner refuses consent for energy efficiency and weatherization services. A LIEADP customer shall not be required to accept energy optimization, energy efficiency and weatherization services that require payment by the customer. The obligation of a LIEADP customer to accept energy optimization, energy efficiency and weatherization services as provided in this program shall continue as long as the LIEADP customer continues to participate in the LIEADP program.*

(Continued on Sheet No. C-85.00)

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(Continued from Sheet No. C-84.00)

C14 LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

- (M) *The utility, a local agency, or other agent or contractor, may (but shall not be required to) send reminders to LIEADP customers in advance of bill due dates to make on-time payments. Payment reminders may be given by telephone, mail, electronic mail or any other communications method.*
- (N) *Customers must make themselves available to discuss utility bills, consumption behavior, and provide program feedback to the utility or local agency to remain eligible for the LIEADP program.*
- (O) *Any LIEADP customer who is offered through the LIEADP program consumer education programs shall be required to accept such services as a condition for continuing eligibility for the LIEADP program. These programs will be made available to customers at their local agencies, readily accessible in their local communities, or offered locally by their electric utility.*
- (P) *Eligibility following account default or disconnection by a utility.*
- (I) *Account default.*
- (a) *If a LIEADP customer fails to pay monthly LIEADP installment amounts and such non-payment causes the customer's electric service to be subject to disconnection by the utility for non-payment or actually disconnected by the utility for non-payment, it shall be the responsibility of the LIEADP customer to avoid disconnection by paying the LIEADP installment minimum amount due or to have service reconnected as provided by the Commission in Rule B2, Consumer Standards and Billing Practices for Electric and Gas Residential Service, Part 8, Restoration of service (R 460.144). For purposes of this program, the minimum amount to avoid disconnection or to reconnect includes any past due monthly LIEADP installment amounts and other charges the utility is permitted to collect from a customer to avoid disconnection or to reconnect utility service under the Commission's rules. A customer will cease to be an active LIEADP customer if a utility disconnects service to such LIEADP customer for non-payment and utility service remains disconnected for two billing months. A LIEADP customer who has ceased to be an active LIEADP customer as a result of disconnection for non-payment shall be ineligible to participate in the LIEADP program until such customer pays any delinquent amounts including any past due monthly LIEADP installment amounts, and other charges the utility is permitted to impose to reconnect service as provided in R 460.144 (or any successor rule of substantially the same effect). The requirement for a customer to pay delinquent amounts and reconnect charges is a condition to re-enroll in the LIEADP program.*

(Continued on Sheet No. C-86.00)

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(Continued from Sheet No. C-85.00)

C14 LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

(b) *Upon the second account default, the LIEADP customer's participation in the LIEADP program will be suspended for failure to comply with program requirements and such customer will cease to be an active LIEADP customer. The utility will issue a written notice to the affected customer, and the customer will have thirty days after the date of the notice to pay past due monthly LIEADP installment amounts and any other charges the utility is permitted to impose to reconnect service as provided in R 460.133 (or any successor rule of substantially the same effect) if the service has been disconnected. If past due monthly LIEADP installment amounts and any permitted reconnect charges are not paid within thirty days of the date of the notice, the customer will be terminated from the LIEADP program. A LIEADP customer who has been terminated from the LIEADP program will no longer be eligible for participation in the LIEADP program during the LIEADP project term. Upon a third account default, the customer's participation in the LIEADP program will terminate for failure to comply with program requirements and the customer will be ineligible for further participation in the LIEADP program during the LIEADP project term. Upon the third account default, the utility will issue a written termination notice to the affected customer.*

(2) *Disconnection for unauthorized use of utility service.*

If a utility disconnects service to the residence of a LIEADP customer as permitted by Commission rules due to unauthorized use of utility service, the customer shall cease to be eligible to participate in the LIEADP program during the LIEADP project term. No charges for utility service accrued during any period that the customer is ineligible to participate in the LIEADP program, including costs associated with disconnection for unauthorized use of utility service, shall be charged to or paid from the LIEADP Grant funds. This provision is not intended and should not be interpreted as creating new or different standards or procedures for utility response to unauthorized use of utility service or in any determination that unauthorized use of utility service has occurred. This provision addresses only the effect of unauthorized use of utility service, as those acts may be defined by Commission rules, on eligibility to participate in the LIEADP program and reflects that households that participate in unauthorized use of utility service should not benefit from low income assistance made available through the LIEADP program.

(Q) *In the event that there is an allegation of fraudulent enrollment regarding a LIEADP customer, the local agency and/or the utility will investigate such allegation. In the event the local agency and/or the utility finds that a LIEADP customer is enrolled in the LIEADP program or continues to participate in the LIEADP program as a result of fraud or deception by the customer or any consumer who is a member of the customer's household, such customer's enrollment in the LIEADP program will be terminated with immediate effect, the customer will be required to make restitution of all payments made from the LIEADP Grant Fund for the benefit of such customer during the period the customer was fraudulently enrolled in the LIEADP program, and the arrearage credits received by such customer during the period the customer was fraudulently enrolled in the LIEADP program will be reversed. In addition, any such customer found to have fraudulently enrolled in the LIEADP program shall be ineligible to participate in the LIEADP program for the remainder of the LIEADP project term.*

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SECTION C - PART III
COMPANY RULES AND REGULATIONS
(FOR RESIDENTAL CUSTOMERS PARTICIPATING IN THE
LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT)

C12. LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT

- (A) *Defined terms used in this Low-Income Energy Affordability Demonstration Project (LIEADP) are as follows:*

Account default means a LIEADP customer's failure to pay monthly LIEADP installment amounts causing the LIEADP customer's natural gas service to be subject to disconnection by a utility for nonpayment or actually disconnected for nonpayment.

Active LIEADP customer means a low income customer who is both currently enrolled in the LIEADP and currently using utility service.

Arrearage credit amount means the amount that would reduce the enrolled LIEADP customer's accrued arrearages to zero as determined based on the customer's accrued arrearages at the time the customer enrolls in the LIEADP program. Arrearage credits will be applied against customer arrearages only.

Current bill balance means for each monthly billing cycle for a LIEADP customer, the difference between such customer's monthly LIEADP installment amount and the actual amount billed for natural gas service for the billing cycle.

Customer payment means, for purposes of this LIEADP, a payment of a monthly LIEADP installment made from the customer's financial resources.

LIEADP annual reverification date means the calendar date at or before twelve months from the LIEADP customer's LIEADP verification date or most recent LIEADP annual reverification date.

LIEADP customer means a low income customer who participates in the Low Income Energy Affordability Demonstration Project.

LIEADP Grant Funds means the funds disbursed as part of the Low Income Energy Affordability Demonstration Project Grant.

LIEADP project term means the time period during which the Low Income Energy Affordability Demonstration Project tariff is effective.

(Continued on [Sheet No. C-56.00](#))

(Continued from [Sheet No. C-55.00](#))

C12. LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

LIEADP verification date means the actual date on which the LIEADP customer's documentation on his or her household income and household size is accepted as qualifying the customer to participate in the LIEADP program.

Eligible low income customer means a residential utility customer whose household income does not exceed two hundred percent (200%) of the federal poverty guidelines as published by the United States Department of Health and Human Services. A customer will be considered to meet the income eligibility requirement if either (a) the customer's household income for the three months prior to enrollment, if annualized, is two hundred percent or less than the federal poverty guideline for the corresponding household size, or (b) the customer's actual household income for the twelve months prior to enrollment is two hundred percent or less than the federal poverty guideline for the corresponding household size. Additionally, to be an eligible low income customer, the customer must be in arrears and those arrearages must not have accrued as a result of theft or unauthorized use.

Energy Optimization, Energy Efficiency and Weatherization Services means those services offered by utilities or local agencies to provide energy efficiency education, programs and rebates designed to help consumers better manage their energy usage.

Federal poverty guidelines means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).

Household income means the total gross income before taxes of all household members except earned income of dependent minors under eighteen years old and any income expressly excluded under federal rules for the administration of the Low Income Home Energy Assistance Program (LIHEAP). Gross household income includes, but is not limited to, wages, interest, dividends, annuities, and pensions.

Local agency means a community action agency or other local service provider that assists with the administration of low-income customer assistance programs at the local level.

Low Income Energy Affordability Demonstration Project or LIEADP means the pilot demonstration project designed to address energy affordability within Michigan's low-income residential customer class funded by a Low Income Energy Efficiency Grant awarded by the Commission.

Monthly LIEADP installment amount means for each LIEADP customer, the amount of such customer's household income to be paid each month for natural gas service.

On-time payment means, for purposes of the LIEADP, a LIEADP installment received by the utility prior to the date that the next bill for natural gas service is issued.

Unauthorized use of a utility service means theft, fraud, interference, or diversion of service, including but not limited to meter tampering (any act which affects the proper registration of service through a meter), by-passing (unmetered service that flows through a device connected between a service line and customer-owned facilities), and service restoration by anyone other than the utility or its representative.

(Continued on [Sheet No. C-57.00](#))

(Continued from [Sheet No. C-56.00](#))

C12. LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

- (B) *Participation in the Low-Income Energy Affordability Demonstration Project program will be limited to 3,000 eligible low income customers. Customers will be selected to participate based under the provisions of the Low Income Energy Affordability Demonstration Project approved by the Commission.*
- (C) *The LIEADP project term will commence the day after Michigan Public Service Commission approval of the LIEADP tariff and will terminate the earlier of December 31, 2012 or the date the LIEADP grant funds are exhausted. LIEADP customers will be notified if termination occurs prior to December 31, 2012.*
- (D) *Customers will be required to document personal identification, household income and household size to demonstrate eligibility for participation in the LIEADP. The date of verification will establish the LIEADP verification date. To continue participation in the LIEADP for the entire LIEADP project term, LIEADP customers will be required to document income on an annual basis by the LIEADP annual reverification date.*
- (E) *Customers eligible to participate under the Winter Protection Plan, Rule B2, Consumer Standards and Billing Practices for Electric and Gas Residential Service, Part 9, will be required to waive their rights to participate under the Winter Protection Plan in order to participate in the Low-Income Energy Affordability Demonstration Project program.*
- (F) *Customer payment for participating eligible low income customers will be based on household income compared with Federal poverty guidelines with a minimum payment requirement of \$15 per month.*

(1) *LIEADP payments will be based on the following:*

<u>Federal poverty guidelines</u>	<u>Percentage of Income Payment</u>
0% – 100%	<i>The greater of 2% of household income paid in 12 equal monthly payments or a minimum payment of \$15 per month</i>
101% - 150%	<i>The greater of 3% of household income paid in 12 equal monthly payments or a minimum payment of \$15 per month</i>
151% - 200%	<i>Current annual bill amount paid in 12 equal monthly payments</i>

(Continued on [Sheet No. C-58.00](#))

(Continued from [Sheet No. C-57.00](#))

C12. LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

- (2) *LIEADP customers shall be required to remit their monthly LIEADP installment amounts directly to the utility each month. Utilities shall not charge late payment fees to any LIEADP customer as long as such customer continues to be an active LIEADP customer.*
- (G) *Customers participating in the LIEADP will not accrue an arrearage balance for the current bill balance for each month that the LIEADP customer pays the full monthly LIEADP installment amount.*
- (H) *For each month that the customer pays the full monthly LIEADP installment amount, the current bill balance will be offset by a payment from the LIEADP grant funds provided by a local agency.*
- (I) *To promote energy efficient usage, continued participation in the LIEADP for customers exceeding 115% of historical weather normalized consumption on an annualized basis is at the discretion of the local agency or utility. Historical weather normalized consumption is based on the twelve months of consumption prior to acceptance in the LIEADP.*
- (J) *Customers participating in the LIEADP will receive an arrearage credit equal to historical arrearages at the time of acceptance in the LIEADP program.*
- (K) *Any customer enrolling in the LIEADP program shall also apply to participate in any other energy assistance program for which such customer may be eligible. If a customer is determined to be eligible for energy assistance through other programs, then as a condition of continuing eligibility for the LIEADP program, such customer shall actively participate in any such energy assistance programs that do not require payment from the customer as a condition for participation. Any funds received from these programs will be applied against the customer's bill balance, but will not reduce the LIEADP monthly installment payment.*
- (L) *Any LIEADP customer who is the owner of a residence for which energy optimization, energy efficiency and weatherization services are offered through the LIEADP program shall be required to accept such services as a condition for continuing eligibility for the LIEADP program. If a LIEADP customer resides in a rental property and energy optimization, energy efficiency or weatherization services are offered through the LIEADP for such rental property, such LIEADP customer shall be required to accept such services as a condition for continuing eligibility for the LIEADP program unless the residence owner refuses consent for energy efficiency and weatherization services. A LIEADP customer shall not be required to accept energy optimization, energy efficiency and weatherization services that require payment by the customer. The obligation of a LIEADP customer to accept energy optimization, energy efficiency and weatherization services as provided in this program shall continue as long as the LIEADP customer continues to participate in the LIEADP program.*

(Continued on [Sheet No. C-59.00](#))

(Continued from [Sheet No. C-58.00](#))

C12. LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

- (M) *The utility, a local agency, or other agent or contractor, may (but shall not be required to) send reminders to LIEADP customers in advance of bill due dates to make on-time payments. Payment reminders may be given by telephone, mail, electronic mail or any other communications method.*
- (N) *Customers must make themselves available to discuss utility bills, consumption behavior, and provide program feedback to the utility or local agency to remain eligible for the LIEADP program.*
- (O) *Any LIEADP customer who is offered through the LIEADP program consumer education programs shall be required to accept such services as a condition for continuing eligibility for the LIEADP program. These programs will be made available to customers at their local agencies, readily accessible in their local communities, or offered locally by their natural gas utility.*
- (P) *Eligibility following account default or disconnection by a utility.*
 - (1) *Account default.*
 - (a) *If a LIEADP customer fails to pay monthly LIEADP installment amounts and such non-payment causes the customer's natural gas service to be subject to disconnection by the utility for non-payment or actually disconnected by the utility for non-payment, it shall be the responsibility of the LIEADP customer to avoid disconnection by paying the LIEADP installment minimum amount due or to have service reconnected as provided by the Commission in Rule B2, Consumer Standards and Billing Practices for Electric and Gas Residential Service, Part 8, Restoration of service (R 460.144). For purposes of this program, the minimum amount to avoid disconnection or to reconnect includes any past due monthly LIEADP installment amounts and other charges the utility is permitted to collect from a customer to avoid disconnection or to reconnect utility service under the Commission's rules. A customer will cease to be an active LIEADP customer if a utility disconnects service to such LIEADP customer for non-payment and utility service remains disconnected for two billing months. A LIEADP customer who has ceased to be an active LIEADP customer as a result of disconnection for non-payment shall be ineligible to participate in the LIEADP program until such customer pays any delinquent amounts including any past due monthly LIEADP installment amounts, and other charges the utility is permitted to impose to reconnect service as provided in R 460.144 (or any successor rule of substantially the same effect). The requirement for a customer to pay delinquent amounts and reconnect charges is a condition to re-enroll in the LIEADP program.*

(Continued on [Sheet No. C-60.00](#))

(Continued from [Sheet No. C-59.00](#))

C12. LOW INCOME ENERGY AFFORDABILITY DEMONSTRATION PROJECT (CONTD)

- (b) *Upon the second account default, the LIEADP customer's participation in the LIEADP program will be suspended for failure to comply with program requirements and such customer will cease to be an active LIEADP customer. The utility will issue a written notice to the affected customer, and the customer will have thirty days after the date of the notice to pay past due monthly LIEADP installment amounts and any other charges the utility is permitted to impose to reconnect service as provided in R 460.133 (or any successor rule of substantially the same effect) if the service has been disconnected. If past due monthly LIEADP installment amounts and any permitted reconnect charges are not paid within thirty days of the date of the notice, the customer will be terminated from the LIEADP program. A LIEADP customer who has been terminated from the LIEADP program will no longer be eligible for participation in the LIEADP program during the LIEADP project term. Upon a third account default, the customer's participation in the LIEADP program will terminate for failure to comply with program requirements and the customer will be ineligible for further participation in the LIEADP program during the LIEADP project term. Upon the third account default, the utility will issue a written termination notice to the affected customer.*

(2) *Disconnection for unauthorized use of utility service.*

If a utility disconnects service to the residence of a LIEADP customer as permitted by Commission rules due to unauthorized use of utility service, the customer shall cease to be eligible to participate in the LIEADP program during the LIEADP project term. No charges for utility service accrued during any period that the customer is ineligible to participate in the LIEADP program, including costs associated with disconnection for unauthorized use of utility service, shall be charged to or paid from the LIEADP Grant funds. This provision is not intended and should not be interpreted as creating new or different standards or procedures for utility response to unauthorized use of utility service or in any determination that unauthorized use of utility service has occurred. This provision addresses only the effect of unauthorized use of utility service, as those acts may be defined by Commission rules, on eligibility to participate in the LIEADP program and reflects that households that participate in unauthorized use of utility service should not benefit from low income assistance made available through the LIEADP program.

- (Q) *In the event that there is an allegation of fraudulent enrollment regarding a LIEADP customer, the local agency and/or the utility will investigate such allegation. In the event the local agency and/or the utility finds that a LIEADP customer is enrolled in the LIEADP program or continues to participate in the LIEADP program as a result of fraud or deception by the customer or any consumer who is a member of the customer's household, such customer's enrollment in the LIEADP program will be terminated with immediate effect, the customer will be required to make restitution of all payments made from the LIEADP Grant Fund for the benefit of such customer during the period the customer was fraudulently enrolled in the LIEADP program, and the arrearage credits received by such customer during the period the customer was fraudulently enrolled in the LIEADP program will be reversed. In addition, any such customer found to have fraudulently enrolled in the LIEADP program shall be ineligible to participate in the LIEADP program for the remainder of the LIEADP project term.*

Issued _____, 2010

D. G. Brudzynski
Vice President
Regulatory Affairs

Detroit, Michigan

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